STAFFING **ADVISORS**

Consistent Hiring Part One
Supporting the Hiring Decision
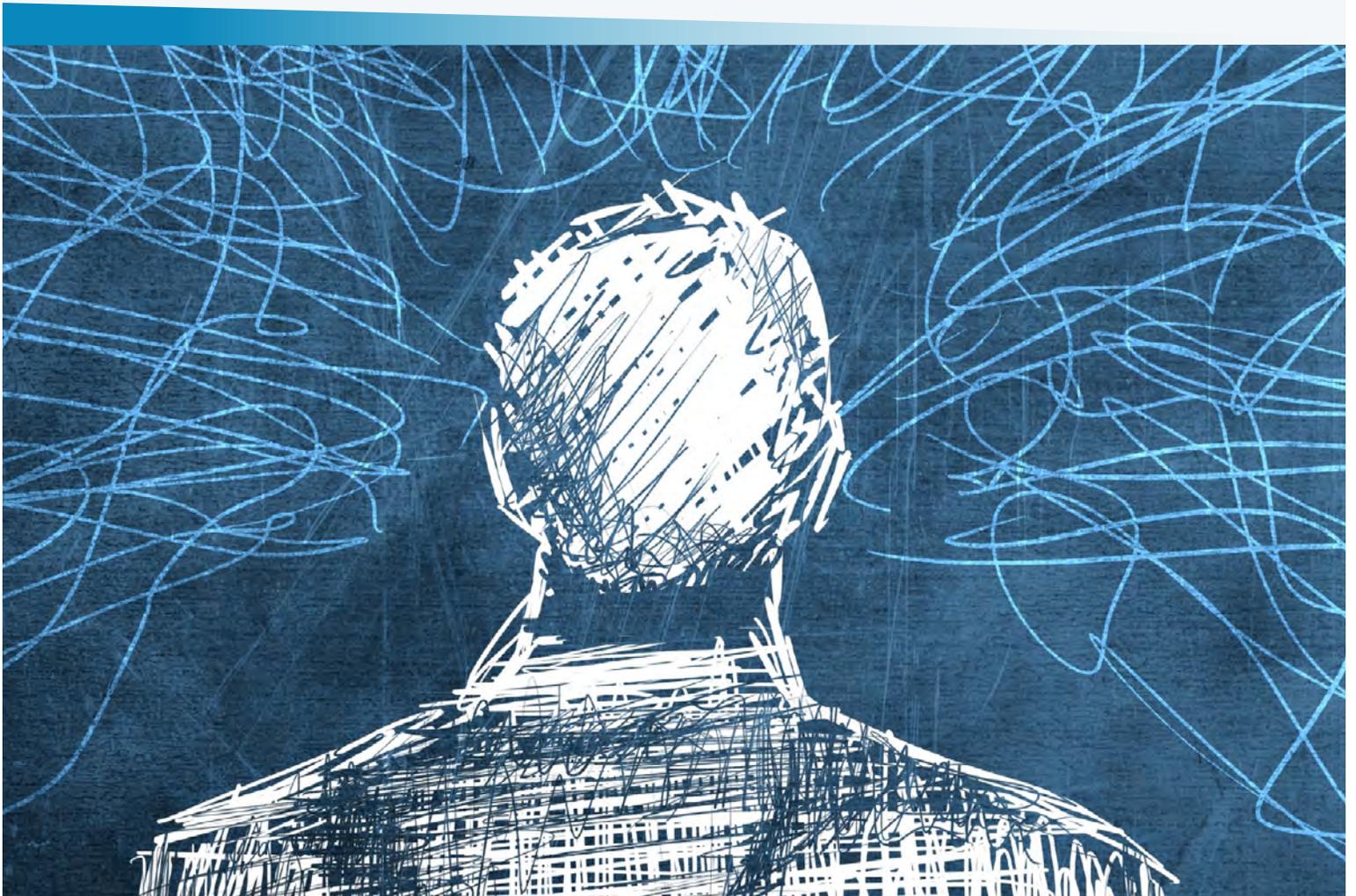
Supporting the Hiring Decision

The typical hiring process is a relic from the past—a deeply-flawed, unexamined ritual, being kept alive by nothing more than familiarity. In organizations where most important decisions are supported by comprehensive data and rigorous analysis, hiring decisions are still being driven by gut instinct and personality.

The typical hiring process ignores key information, and makes assumptions about other information. As a result, new employees often fail to deliver the desired results, and managers are forced to waste time managing turnover and poor performance instead of mentoring top performers.

So what exactly goes into making a great hiring decision?

Ideally, any good decision support process organizes all of the relevant information for the decision-maker. It provides structure to the decision, gathers information, identifies alternatives, weighs the evidence, challenges assumptions, and considers the landscape in which the decision is being made.

That's how a good decision support process should work. But that's not how most people make hiring decisions.

A good hiring process should be a good decision support process.
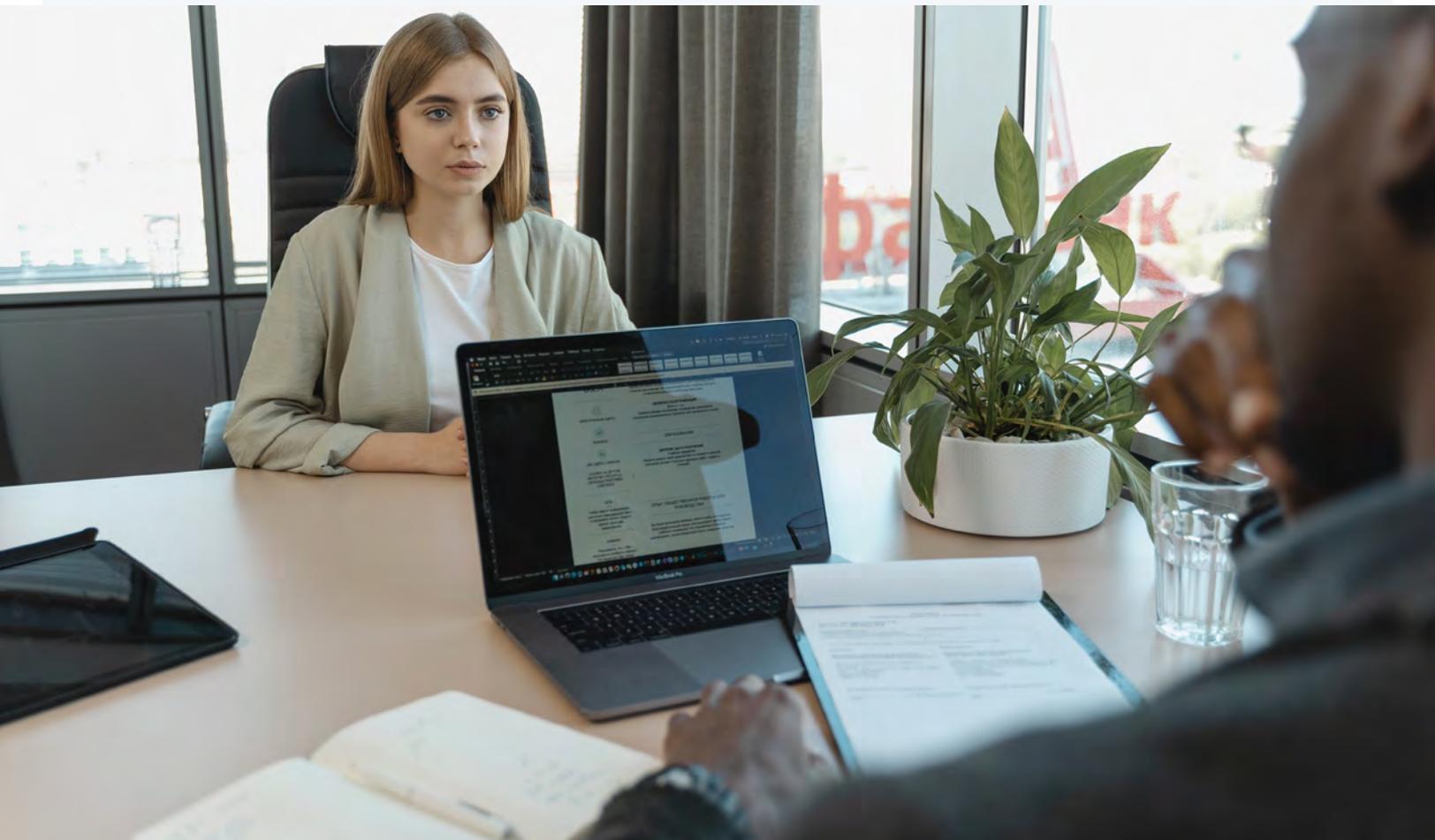
Why Typical Hiring Fails

The cruel irony of staffing is that it only demands your attention when you are already overworked and understaffed.

Busy hiring managers rightfully look for every opportunity to save time in the hiring process. And why wouldn't they? Studies show that executive "discretionary time" is rarely more than 5 hours per week. The rest of their time is preprogrammed—endless meetings, urgent reports, colleagues rushing in with a last minute crisis, etc.

But by not evaluating a truly representative sample of candidates in the job market, hiring managers routinely make a mistake that scientists and market researchers call sampling bias, or selection bias.

If you surveyed dentists at a dental convention, and 4 out of 5 recommended Trident sugarless gum, is that recommendation true of all dentists? Or were you standing near the Trident booth and not sampling anyone else? This is sampling bias—your results were skewed by who you did not interview. Likewise, the norm in hiring—and always a mistake—is to ignore the candidates you do not see.

When hiring managers rush toward the first viable candidates that surface, they distort the information needed to make a great decision.

- They quickly skim resumes, trying to glean more information than can reasonably be learned from such a document.

- They choose to interview a handful of candidates, based solely on the limited information resumes offer.

- They rush through the interviews, skimming the surface and relying on "gut instinct" to make the hiring decision, rather than delving into all of

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The Two Selection Biases
Bias in Resume Review

There is no step in the recruiting process more prone to error than resume selection. The vast majority of hiring managers make exactly the same mistake: they select a handful of the most promising looking resumes from a stack, and invite them directly in for an interview, without first speaking to them over the phone.

This is one of the least effective ways to hire a top performer. No resume can give you the full story. A great looking resume sometimes hides an ineffective candidate; an unimpressive resume sometimes masks a great candidate.

When you interview a few candidates using only the limited information found on a resume, you actually combine two selection biases:

- You've used the selection criteria that are least likely to result in the person being successful on the job. Resumes cannot demonstrate any of the important cultural fit factors, so you have nothing to go on but conjecture. In the absence of real information, you mentally fill in the gaps using stereotypes and generalities like, "The people who work at that firm are all arrogant." And because so much of the information you need is missing, you unwittingly place far too much emphasis on the factors resumes can show (namely, education and years of experience—two of the poorest predictors of success on the job).

- If your goal is to find someone demonstrably better than their peers at getting the results you need in a work environment like yours, then your comparison group (sample size) needs to be larger than a handful of people...even

if you used a better selection method than reading resumes. You cannot interview five or six people and expect to understand how their capabilities compare to their peers.

But for many hiring managers, selection bias begins long before they select resumes.

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The Two Selection Biases

Bias in Recruiting Outreach

The most common complaint managers have about job advertising is receiving too many responses in total, yet too few from the desired target audience. So busy hiring managers often limit the number of off-spec resumes they receive by utilizing only one kind of recruiting outreach, such as employee referrals or posting on niche job boards.

But taken individually, every recruiting approach has the potential for selection bias. To make a good hiring decision requires a variety of recruiting approaches that help to counteract each other's flaws:

- Niche sites only reach a small subset of the peer group. Many candidates begin their job search on Google, not on a specific job board nor within a social network like LinkedIn.

- Big boards (Indeed, Monster, CareerBuilder) have the potential to reach more people, but poorly written job postings can be easily overlooked among all the other postings.

- Employee referrals primarily connect you to friends of your current employees—a rich source of candidates. But relying on employee referrals alone tends to stifle diversity, creating a homogenous culture of like-minded people from similar backgrounds.

- Creating a difficult application process in an attempt to reduce the number of "bad" resumes usually backfires; the most highly employable people will simply not bother applying.

- You limit your response rates if the application process is difficult from a mobile device. Half of the traffic to career sites is now on mobile devices. Even with ads in all the right places, and a pleasant application process for people on computers, few employers have paid enough attention to writing ads that are "mobile friendly."

- Few employers understand the impact of reputation management. There are millions of online reviews for employers of all sizes, and many prospective employees search for company reviews before making the decision to apply. Poor employer reviews limit ad response.

- Direct recruiting gives you access to significantly more candidates than advertising, but not all direct recruiting approaches are equivalent. Some direct approaches are quite insular. The "I know a guy who would be great for you" approach is no better than hiring the first person who responded to an ad. The "good people know good people" approach is equally flawed.

Do not assume that the best people will all respond to the same recruiting approach. Diversify your outreach using all available options, such as advertising, employee referrals, direct recruiting, and social media.

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Managers Deserve Better Decision Support

Far too many organizations routinely thrust their hiring managers into the role of job market expert, failing to provide them with any meaningful decision support tools. These time-starved managers do their best to play their assigned role, but the consequences are often disastrous.

Traditional hiring practices tend to violate the basic rules of good decision-making:

- In the interest of saving time, managers unwittingly distort the information they need to make a good decision.

- Once an ideal candidate profile has been targeted, alternative profiles are rarely considered.

- Once made, assumptions about the relative attractiveness of the job or the availability of qualified candidates are rarely validated or challenged.

- Managers overlook that other employers are hiring from the same pool of available candidates; the competition is constantly shifting.

- There is no methodical process to learn from top performers, or to identify the key factors that drive their success.

Fortunately, great decision making is ultimately far less expensive and time consuming than dealing with the consequences of hurried decisions made by harried managers. It only requires adding proper structure to the hiring process, to prevent hiring from becoming the pursuit of one person's mental image—at the expense of all else.

It is time to move beyond traditional hiring practices, toward a more reliable data-driven hiring approach. Without market knowledge, recruiting too often veers off-course. Managers settle for less, or overlook better solutions. Or in the pursuit of the "perfect candidate," jobs stay unfilled for months, simply because no one thought to consider other options. As Albert Einstein noted, "Problems cannot be solved at the same level of thinking that created them."

It's time to move beyond outdated hiring practices, toward a more reliable, data-driven approach to hiring decision support.

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